

Canadian National Railways

cords of pulpwood originating on the branch line and that general freight traffic to the value of \$115,000 per year will develop. Heath Steele Mines Limited has agreed to guarantee a movement of 450,000 tons of concentrates within the first six-year period of operation, with the stipulation that the railway will be paid a penalty for any shortage below 75,000 tons in any year, subject to adjustment if in the aggregate 450,000 tons are delivered to the railway over the said six-year period.

The arrangement also contemplates that if penalties are paid for the six year period, the company will be granted a further six-year period in which to recoup such penalties for any excess over 75,000 tons in any year during the second six-year period, provided that credits to the company will cease when all penalties have been so returned by the railway. The president of the railway believes that on these terms the branch line should be profitable. A formal agreement in writing will be negotiated with the company.

The president of the railway advises that the revenue to be received from traffic engendered by the branch line will meet all expenses of operation and maintenance of the branch line, the cost of handling such traffic on the remainder of the system, interest on the cost of construction of the branch line, and interest and depreciation on the necessary equipment, and produce a surplus.

The resolution will, I feel sure, commend itself to the house, and I am confident that hon. members will see the proposed legislation as yet another forward step in the development of our great natural resources and as an instance of the part the Canadian National Railways continue to play in that development. I think all of us are particularly happy that the location of this further extension of our national railway system is in the province of New Brunswick. This rail construction is the first in that province in recent times, and sharply points up the tremendous potential wealth that lies within its boundaries.

Mr. Brooks: Mr. Chairman, I wish to say just a few words on this resolution. As the minister has pointed out, we were told of this resolution on Monday, March 26, when he notified the house that such a resolution would be brought down.

It is not necessary for me to read the resolution. I imagine it is much the same as what we would find in any other resolution with respect to a branch line of the Canadian National Railways anywhere else in Canada. It will be a part of the Canadian National Railway system and it will be a branch line, as he says, in the province of New Brunswick.

As the minister well said, we in New Brunswick are happy that a railway is being built there. It is good news. As he also said, it is a number of years since there has been any railway building in the province of New Brunswick. In that connection I might say that we are becoming more accustomed to having railroads torn up than we are to having them built.

I am pleased indeed that it is the Canadian National Railways that is building this branch line. When the Quebec North Shore and Labrador Railway Company matter was before the house I think a good many of us felt that it was rather a shame that our Canadian National Railways, which is the peoples' railway in this country, was not building the railroad in that potentially wealthy part of this dominion. Speaking frankly, I think that the Canadian National Railways missed a great bet in the Labrador peninsula. However, that has nothing to do with the line that is being built from Bartibog to the Tomogonops river in the province of New Brunswick.

The minister has told us that this matter has been thoroughly investigated, that from all appearances it will be a feasible and practical railroad, and that it will pay. Not only will it handle these metals from this mine which is being operated by Heath Steele Mines Company Limited which, I might say, is a subsidiary of the American Metals Company. The railway will also develop the country further as far as lumber operations are concerned. I understand that there will be production of some 15,000 cords—

Mr. Marler: Twelve thousand.

Mr. Brooks: —or 12,000 cords of pulpwood. Would that be yearly?

Mr. Marler: That is the expectation.

Mr. Brooks: That is the expectation yearly. This is a part of New Brunswick that we have heard a great deal about lately on account of the great mineral wealth that is being found. It is really part of the Bathurst area, I might say. We heard of the Bathurst area first. This Heath Steele Mines Company Limited has been working quietly in the interior of this section of New Brunswick. From the reports of our provincial lands and mines department I understand they have discovered rich base metal ores there containing lead, copper and zinc. I believe there is some silver as well.

The railroad itself is perhaps not to be compared with the railroads that have been built in other parts of Canada. I think we might say that it is a very modest line of railway. It is only 22 miles long. It will be